

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 SSO-00 NSCE-00 CCO-00 USIE-00 INRE-00

AGR-20 CEA-02 CIAE-00 COME-00 DODE-00 EB-11 FRB-02

H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00 NSC-10 PA-04

RSC-01 AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00

PRS-01 SPC-03 FEA-02 OMB-01 SAM-01 AF-10 EA-11 EUR-25

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TAGS: PFOR, OCON, XM, MX

SUBJECT: HIGHLIGHTS OF CLOSED DISCUSSION OF AGENDA ITEM I AT FOREIGN
MINISTERS MEETING -- COOPERATION FOR DEVELOPMENT

DEPARTMENT PLEASE PASS TO ALL ARA POSTS

1. PERUVIAN FOREIGN MINISTER DE LA FLOR LED OFF WITH
WHAT HE DESCRIBED AS THE LATIN CONSENSUS ON THE PRINCIPLES,
STANDARDS AND INSTITUTIONAL ASPECTS OF COOPERATION FOR
DEVELOPMENT. IN EFFECT, HIS STATEMENT REPRODUCED WHAT THE
LATINS HAD BEEN URGING DURING THE SPECIAL COMMITTEE TO
RESTRUCTURE THE INTER-AMERICAN SYSTEM ON SUCH MATTERS AS
INTEGRAL DEVELOPMENT, ECONOMIC COERCION, COLLECTIVE
ECONOMIC SECURITY, PERMANENT AND UNCONDITIONAL CHARACTER
OF ASSISTANCE, MULTINATIONAL CORPORATIONS, AND STRENGTHENING
OF THE SCCN. HE ALSO CALLED FOR: THE PARTICIPATION OF
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ALL REPEAT ALL COUNTRIES IN THE REGION REGARDLESS OF

THEIR SYSTEMS; DEVELOPED COUNTRIES TO MEET THE TARGET OF ONE PERCENT OF GDP AS THEIR CONTRIBUTION TO THE LDC'S; FAVORED TREATMENT FOR THE RELATIVELY LEAST DEVELOPED COUNTRIES; A COLLECTIVE AND COORDINATED APPROACH TO ASSISTANCE TO COUNTRIES HIT BY NATURAL CALAMITIES; A PERMANENT INSTITUTIONAL FRAMEWORK INCLUDING A FORUM FOR EXCHANGING INFORMATION AND CONSULTATION AT THE TECHNICAL LEVEL; AND, THE IMPROVEMENT OF SCCN. HE CONCLUDED THAT ANY ACTION PLAN FOR DEVELOPMENT SHOULD BE BASED UPON THE CONSENSUS OF VINA DEL MAR AND CIES RESOLUTION 50 AT BOGOTA 1973.

2. THE SECRETARY INDICATED AGREEMENT WITH THE OBJECTIVES AND MANY OF THE METHODS DISCUSSED BY DE LA FLOR. HE ACCEPTED THE PRINCIPLES THAT AID SHOULD NOT BE OFFERED TO EXTRACT ADVANTAGES FROM OTHERS AND THAT ECONOMIC COERCION HAD NO PLACE IN OUR RELATIONSHIPS. HOWEVER, THE SECRETARY POINTED OUT THAT THESE PRINCIPLES HAVE NO OPERATIONAL SIGNIFICANCE UNLESS THEY ARE IMPLEMENTED WITH THE SPIRIT THE FOREIGN MINISTERS ARE TRYING TO BUILD AT THE TLATELOLCO CONFERENCE. UNLESS SO IMPLEMENTED, THE RESULT WOULD BE A SERIES OF CONFRONTATIONS IN THE REGION. SPECIFICALLY HE AGREED THAT: THE ORGANIZATION FOR DEVELOPMENT COOPERATION SHOULD BE PERMANENT; SPECIAL TREATMENT, INCLUDING SOFT LOANS, SHOULD BE OFFERED TO THE LEAST DEVELOPED COUNTRIES; THE SCCN SHOULD BE STRENGTHENED; AND, EFFORTS TO ASSIST COUNTRIES BESET BY NATURAL CALAMITIES SHOULD BE JOINT AND COORDINATED.

3. THE SECRETARY NOTED THAT THE U.S. HAD NO PROBLEM WITH EITHER OF TWO APPROACHES TO THE CONCEPT OF COMMUNITY, WHETHER THE QUESTION WAS TO STRENGTHEN AN EXISTING COMMUNITY OR TO CREATE A COMMUNITY. HE REMINDED DE LA FLOR THAT THE U.S. HAD PLEDGED ITS BEST EFFORTS TO REACH THE ONE PERCENT TARGET RATHER THAN COMMITTING ITSELF TO THAT GOAL. IN RESPONSE TO DE LA FLOR'S LISTING OF THE PRINCIPLE OF PARTICIPATION WITHOUT REGARD TO A NATION'S SYSTEM, THE SECRETARY INDICATED THAT THE TASK WAS TO DEVELOP A NEW UNDERSTANDING AMONG THOSE PRESENT AT THE CONFERENCE. THE U.S. WAS NOT IN A POSITION LIMITED OFFICIAL USE

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AT THE MOMENT TO DISCUSS THE PROBLEM OF THAT ISLAND IN THE CARIBBEAN.

4. BRAZILIAN FOREIGN MINISTER GIBSON BARBOSA ASKED THE SECRETARY TO CLARIFY HIS PLEDGE IN THE INAUGURAL SPEECH CONCERNING LIMITATIONS ON ACCESS BY LA TO U.S. MARKETS. THE SECRETARY RESPONDED BY AFFIRMING THE PLEDGE OF THE U.S. TO DO ITS VERY BEST TO PREVENT THE PLACING OF NEW

BARRIERS UPON LA EXPORTS. HE WARNED THAT UNILATERAL ACTIONS BY OIL CONSUMING COUNTRIES TO PUSH EXPORTS AND CURTAIL IMPORTS COULD BRING ABOUT A COLLAPSE OF THE WORLD ECONOMIC SYSTEM.

5. THE COLOMBIAN FOREIGN MINISTER SUPPORTED THE SECRETARY'S VIEW THAT RELATIONS NEED TO BE PLACED ON A NEW BASIS. HE ASSERTED THAT THE SYSTEM DID NOT POSSESS APPROPRIATE INTERNATIONAL MULTILATERAL STRUCTURES TO HANDLE THE PROBLEM OF EXTERNAL FINANCIAL COOPERATION. HE NOTED THAT EMERGENCIES SHOULD INCLUDE NOT ONLY GEOLOGICAL CALAMITIES BUT ALSO ABNORMAL ECONOMIC CONDITIONS SUCH AS THE OIL CRISIS AND THE TREMENDOUS RISE OF WHEAT AND OTHER PRICES.

6. THE SECRETARY POINTED TO THE EXISTENCE OF THE IDB WHICH THE U.S. WOULD CONTINUE TO SUPPORT. HE WELCOMED OTHER IDEAS AS TO MULTILATERAL FINANCIAL INSTITUTIONS. HE ACCEPTED THE COLOMBIAN MINISTER'S CONCEPT OF ECONOMIC EMERGENCIES AND INDICATED AN INTEREST IN SETTING UP MACHINERY TO DEAL WITH PRESENT EMERGENCIES AS WELL AS TO ESTABLISH MACHINERY TO IDENTIFY OTHER POSSIBLE EMERGENCIES.

7. THE PERUVIAN FOREIGN MINISTER STATED THAT THE QUESTION OF ECONOMIC EMERGENCY WAS PART OF THE CONCEPT OF COLLECTIVE ECONOMIC SECURITY. HE CALLED ATTENTION TO THE PROBLEMS OF COMMODITY OVERPRODUCTION AND PRICE DECLINES AND ASKED IF AGREEMENT COULD BE REACHED TO RESTRUCTURE NEW CRITERIA AND BASES FOR A SYSTEM OF COOPERATION FOR DEVELOPMENT, INASMUCH AS THE ALLIANCE FOR PROGRESS WAS OUTDATED.

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8. THE SECRETARY AGREED THAT THESE ISSUES SHOULD BE ADDRESSED IN THE RESTRUCTURING OF THE INTER-AMERICAN SYSTEM.

9. THE VENEZUELAN FOREIGN MINISTER OBSERVED THAT WHEAT AND OTHER AGRICULTURAL PRICE INCREASES BROUGHT THE U.S. ADDITIONAL BILLIONS OF DOLLARS WHICH OFFSET THE DOLLAR RISE IN U.S. OIL IMPORT COSTS. HE DISTINGUISHED BETWEEN PUBLIC AND PRIVATE RESOURCE FLOWS, SUGGESTING THAT, ULTIMATELY, THE RECIPIENT OF PRIVATE FLOWS OFTEN PAID MORE THAN WAS RECEIVED.

10. THE PARAGUAYAN FOREIGN MINISTER EXPRESSED APPRECIATION FOR THE SECRETARY'S OFFER OF A DIALOGUE AND STRESSED

THAT CONSULTATIONS, CONDUCTED IN THE STYLE OF A DIALOGUE,
WERE WHAT WAS NEEDED NOW.

11. THE JAMAICAN FOREIGN MINISTER ASKED THE SECRETARY
TO CLARIFY THE MEANING OF THE EMERGENCE OF A COMMUNITY
AND INQUIRED IF THE SECRETARY WAS MAKING A DISTINCTION
BETWEEN LATIN AMERICA AND THE CARIBBEAN WHEN HE REFERRED
TO THESE AREAS.

12. THE SECRETARY RESPONDED THAT HE WAS NOT MAKING A
DISTINCTION BUT WAS REFERRING TO ALL MEMBERS OF THE
WESTERN HEMISPHERE COMMUNITY. HE EXPLAINED THAT BY
COMMUNITY, HE MEANT A REALITY NOT A LEGAL STRUCTURE.
THE REALITY HE SEEKS IS ONE IN WHICH WE ADJUST OUR
POLICIES IN A SPIRIT OF COOPERATION. THIS REQUIRES
RECIPROCITY ON EVERYONE'S PART AND IN THIS WAY, WE
CAN GO BEYOND CONCEPT TO REALITY.
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